

## **MEMORANDUM**

**TO:** Community Investment and Infrastructure Commissioners

**FROM:** Tiffany Bohee, Executive Director

**SUBJECT:** Workshop on the Community Benefits provided through the Hunters Point Shipyard Phase 1 and Hunters Point Shipyard Phase II/Candlestick Point Disposition and Development Agreements; Hunters Point Shipyard and Bayview Hunters Point Redevelopment Project Areas

### **EXECUTIVE SUMMARY**

As part of the Disposition and Development Agreements (“DDA”) for Hunters Point Shipyard Phase 1 (“Phase 1”) and Hunters Point Shipyard Phase 2 and Candlestick Point (“Phase 2”) areas between the Office of Community Investment and Infrastructure (“OCII”) and HPS Development Co, LP and CP Development Co. LP respectively (“Lennar”), Lennar agreed to a robust package of Community Benefits which are captured in Community Benefits Agreements (“CBAs”) that are associated with the Phase 1 and Phase 2 DDAs (see Attachments 1: Phase 1 CBA and Attachment 2: Phase 2 CBA).

At the Commission’s request, OCII staff is providing a Community Benefits overview and status update that shows the depth of positive outcomes that have been produced in fulfillment of the CBAs. Because of staff turnover on Lennar’s Community Benefits Team, certain historic data pertaining to Phase 1 Community Benefits is not easily accessible and requires some further research. Lennar will continue to work with OCII staff to provide a comprehensive report on the full extent of the Phase 1 and Phase 2 CBA obligations. Community Benefits that required additional input from Lennar have been annotated in the below status update.

### **BACKGROUND**

#### **Shipyard Overview**

The Hunters Point Shipyard and Candlestick Point areas (together the “Project”) are comprised of approximately 780 acres along the southeast waterfront of San Francisco. This land will be developed and transformed into productive areas for jobs, parks, and housing, including affordable housing through public-private partnerships as required by DDAs with OCII. The development will be implemented in two phases by affiliated, but separate, developers managed by Lennar under separate DDAs.

During the development 12,100 new homes will be delivered, approximately 32% of which will be below-market rate housing units, including the rebuilding of the Alice Griffith public housing

development consistent with the City's HOPE SF program, up to 3 million square feet of research and development space, and approximately 352 acres of new and renovated parks. In total, the project will generate over \$6 billion of new economic activity to the City, more than 12,000 permanent jobs, hundreds of new construction jobs each year, new community facilities, new transit infrastructure, and provide approximately \$90 million in community benefits.

### **Phase 1 DDA and associated Community Benefit Agreements**

Starting in 1997, with the adoption of the Hunters Point Shipyard Redevelopment Plan, the former San Francisco Redevelopment Agency ("SFRA") engaged in an intensive community-based planning process that resulted in the execution of Phase 1 DDA. The Phase 1 DDA was authorized by the SFRA Commission on December 2, 2003 by Resolution No. 179-2003.

The Phase 1 DDA has been amended since its approval in December 2003. The SFRA Commission: 1) on April 5, 2005, authorized by Resolution No. 3-2005, a First Amendment to the Phase 1 DDA; 2) on October 17, 2006, by Resolution No. 141-2006, a Second Amendment to the Phase 1 DDA; 3) on August 5, 2008, by Resolution No. 84-2008, a Third Amendment to the Phase 1 DDA; 4) on August 19, 2008, by Resolution No. 86-2008, a Fourth Amendment to the Phase 1 DDA; and 5) on November 3, 2009 by Resolution No. 125-2009, a Fifth Amendment to the Phase 1 DDA. The Phase 1 DDA has been further amended by the OCII Oversight Board authorizing a Sixth Amendment by Resolution 15-2012.

The Phase 1 DDA includes Parcel A of the Shipyard and binds Lennar to construct the infrastructure necessary to support the vertical development of up to 1,498 residential units, and 26 acres of open space and parks.

Attachment 24B of the Phase 1 DDA in its original form established the scope for certain community benefit programs and required the execution of a CBA as a closing condition for the Parcel A-1 transfer. The Phase 1 CBA was executed on April 4, 2005 and describes 11 programs that are intended to provide training, assistance, and contracting opportunities to community residents and organizations, as well as offer 30 percent of the units to be constructed in Phase 1 to Bayview Hunters Point-based developers and contractors. The CBA was amended on November 3, 2009 by Resolution No. 125-2009 to update the Community Builder program.

### **Phase 2 DDA and associated Community Benefit Agreements**

On June 3, 2010, the SFRA Commission approved the Phase 2 DDA between SFRA and Lennar by Resolution No. 69-2010 and it was amended by the OCII Oversight Board on December 10 by Resolution No. 16-2012. The Phase 2 DDA binds Lennar to construct the infrastructure necessary to support the development of up to 10,500 homes, up to 885,000 square feet of regional and neighborhood-serving retail space, approximately 3 million square feet of commercial, light industrial, research and development and office space, up to 105,000 square feet of new replacement space for the Shipyard artists and a new arts center, and approximately 336 acres of additional and improved public parks and open spaces.

The Phase 2 DDA includes as Exhibit G a Community Benefits Plan ("Phase 2 CBA", together with Phase 1 CBA the "CBAs"). The Phase 2 DDA carries forward some of the Phase 1 Community Benefits and adds new benefits.

### **Community Benefits Overview**

The CBA's goal is to ensure that the local Bayview Hunters Point ("BVHP") community has the opportunity to participate in and benefit from the Shipyard redevelopment. Most Community Benefits are captured in the Phase 1 and/or Phase 2 CBA's. However in some instances related benefits are included in other legal agreements such as other exhibits to the Phase 1 DDA or the Hunters Point Shipyard Redevelopment Plan, as noted below.

In order to facilitate the monitoring of the CBAs, Lennar is required to provide quarterly written status reports on all Community Benefits Programs and make status update presentations to the Hunters Point Shipyard Citizens Advisory Committee ("CAC"). Additionally, some Community Benefits are administered by the Legacy Foundation for Bayview Hunters Point ("Legacy Foundation"), an organization that was created in accordance with the Phase 1 DDA and that is tasked to make investment recommendation to the OCII Commission on the use of certain community benefits funds. The Legacy Foundation is currently going through a strategic planning process. Once this process is completed in late summer 2015, the Legacy Foundation will provide the OCII Commission with an overview of the organization's work plan and funding recommendations for the upcoming 3 to 5 years.

In addition to the Phase 1 and Phase 2 CBAs, Lennar entered into a separate Core Community Benefits Agreement ("CCBA") with the Alliance for District 10 ("AD10"). The CCBA provides for an approximately \$28 million Community First Housing Fund and an approximately \$8 million Workforce Development Fund. OCII is not party to this agreement and does not monitor its implementation.

A Community Benefits overview is provided in the below table, with a more detailed program description following. Cases in which benefits stem from agreements other than the Phase 1 or Phase 2 CBA are shown in italics.

	<b>Phase 1 Benefit and CBA section</b>	<b>Phase 2 Benefit and CBA section</b>
1	Construction Assistance Program (Section 3)	Construction Assistance Program (Section 5.2)
2	Community Builder Program (Section 4)	Community Builder Program (Section 5.1)
3	Interim African Marketplace (Section 5)	Community Facilities Space (Section 3.2)
4	Cultural/Historic Recognition Program (Section 6)	<i>0.5% for Art requirement for Phase 2 in the Hunters Point Shipyard Redevelopment Plan</i>
5	Business Incubator Space Program (Section 7)	
6	Home Buyer's Assistance Program (Section 8)	
7	Job Training and Employee Assistance Program (Section 9)	
8	Local Community Priority Leasing Program (Section 10)	
9	Small Business Assistance Programs (Section 11)	

10	Outreach Program (Section 12)	
11		Community Real Estate Broker Program (Section 5.3)
12	<i>Community Facilities Parcels – Phase 1 DDA, Attachment 23</i>	Community Facilities Lots (Section 3.3)
13		Additional Community Facilities (Section 3.4) – Artist Complex, Building 813 and Fire Station Lot
14		Scholarship Fund (Section 1.1)
15		Education Improvement Fund (Section 1.2)
16		Community Health and Wellness Contributions (Section 2)
17	<i>BVHP Representative Entity - Phase 1 DDA, Attachment 23</i>	Community Benefits Fund (Section 6)
18		CORE Community Benefits Agreement (Section 4)

A more detailed program-by-program description of Community Benefits and its status update is provided on the subsequent pages.

#### 1) Construction Assistance Program (“CAP”)

##### *Program Description:*

The CAP applies to Phase 1 and Phase 2. The Phase 1 program has the following elements:

- Owner Consolidated Insurance Program (OCIP) that allows interested contractors to sign up for general liability coverage provided by Lennar;
- Surety Bond Program that relieves Lennar contractors and subcontractors from posting surety bonds for work on the Shipyard;
- Technical Assistance in the form of a Contractor Liaison who assists contractors with navigating through the process of contracting for work for the Shipyard;
- Financial Assistance in the form of connecting BVHP area contractors who are in need of financing with financial institutions; and
- a Mentorship Program to support emerging MBE/WBE construction related BVHP enterprises by teaming them with experienced mentors.

The Phase 2 CAP as outlined in Phase 2 CBA Section 5.2 carries forward the Technical Assistance, Contractor Workshops and Training program with a total financial obligation of no more than \$2.5 million. It also provides for a \$1 million contribution to OCII’s surety bond program which will be used to assist BVHP contractors in obtaining insurance and credit support that may be required in order to participate in the development of the Project.

##### *Status Update for Phase 1:*

The Mentorship Protégé program has been administered by the Renaissance since 2010. During that time protégés have been able to secure in contracts worth a total of \$45,779,094, and have employed 182 people, the majority of whom are D10 residents.

Additional information from Lennar is forthcoming.

*Status Update for Phase 2:*

In 2014, Lennar hired Butler Enterprises (“BE”) to develop and implement the Phase 2 CAP out of a site office on the Shipyard (Galvez Ave. at Donahue St.) that is staffed Monday through Friday during regular business hours. The CAP staff includes a contract liaison, a project administrator, a trucking administrator and an outreach and technical assistance liaison. To date, BE has organized 20 workshops or classes on topics such as: access the money, estimating and tracking, project execution, contract administration and similar topics. As part of the Financial Assistance obligation, BE has developed a financial guide for community contractors and has started introducing community contractors to bank representatives.

In accordance with the established Phase 2 CBA payment schedule an initial surety bond contribution of \$250,000 has been made by Lennar 90 days after the first Major Phase was approved by the OCII Commission in January 2014. OCII is working with the City and County of San Francisco (“City”) to determine if OCII can participate in the City’s Surety Bond Assistance Program, which provides bonding, financial, and business management assistance to local small businesses. Funds from the Community Benefits program would be used to capitalize bid, performance, and payment bond guarantees of up to 40% of a contractor’s bond amount, subject to a maximum dollar limit per contractor to ensure benefits accrue to as many small businesses as possible. If OCII is unable to participate in the City’s Surety Bond Assistance Program, OCII will explore the possibility of establishing a similar program to the City’s program

2) Community Builder Program

*Program Description:*

As part of the Phase 1 CBA, Lennar agreed that 30% of the Phase 1 private housing development lots will be developed in partnership with a BVHP builder (“Community Builder”). Further, in accordance with Section 5.1 of the Phase 2 CBA Lennar agreed to also make available 500 units across a spectrum of affordability levels for development by Community Builders. Community Builders have to option to:

- a) Acquire assigned lots and develop these lots as Independent Community Builder;
- b) Jointly acquire an assigned lot with a Vertical Developer and develop the site as Joint Venture Community Builder; or
- c) Assist a Vertical Developer as a Fee Developer Community Builder without financially participating in a lot purchase.

*Status Update for Phase 1:*

The available Community Builder lots have been assigned through a selection process to the following builders:

Phase 1 Block Number	Community Builder Assigned
Block 1	Tabernacle
Block 52	Al Norman/Derek Smith (Marinship)

Block 53	Rhody McCoy/Dr. Churchwell
Block 54	BAMEC
Block 48 A	San Francisco Housing Development Corporation
Block 48 F	Shiloh Development Team, LLC
Block 48 J	Shiloh Development Team, LLC
Block 48 K	The Baines Group
Block 48 O	Eagle Environment Consulting

(See Attachment 3: Phase 1 Community Builder Lots)

*Status Update for Phase 2:*

No Community Builder Lots have been assigned for the initial Candlestick Point Major Phase. The 500 unit Community Builder obligation will be fulfilled in future Major Phases on Candlestick or the Hunters Point Shipyard.

3) Interim African Marketplace (“IAM”)

*Program Description:*

In accordance with the Phase 1 CBA Lennar agreed to establish an IAM: a music, entertainment, cultural, and tourist destination in the form of an African-themed temporary festive outdoor setting for the display and sale of goods and wholesome foods as well as a venue for musical performances. The Phase 2 CBA additionally designates a portion of the Community Facilities Space within the retail facilities on the Candlestick as a permanent, indoor African Marketplace.

*Status Update for Phase 1:* In 2006 and 2007, Lennar organized IAM events that spanned several consecutive weekends. In response to community feedback, the event format was changed to focus on one weekend. Starting 2008, Lennar funded OCII to solicit contractors to organize IAM events which occurred in 2008 and in 2009. Because of the CAC’s dissatisfaction with the contractor’s performance, the IAM was put on hold after the 2009 event and OCII returned the remaining fund balance of approximately \$80,000 to Lennar. Lennar is currently working with the CAC to plan for future events.

*Status Update for Phase 2:* There will be two permanent locations for the IAM in Phase:

- a) IAM Northside Park. The Northside Park IAM will provide a space for regularly held events and markets. The park design will encourage vendors, farmers markets, and food stalls. Northside Park will be built on Parcel IR 7-18, which is scheduled to be conveyed by the Navy to OCII next year. Lennar will provide schematic designs for Northside Park in the first Major Phase application for Hunters Point Shipyard Phase 2. Northside Park, and its associated IAM, is anticipated to be complete by 2021.
- b) IAM Candlestick Retail. The Candlestick IAM will be a permanent, indoor African Marketplace that will rent stalls to individual vendors. The Candlestick IAM will be provided in Community Facility Space, which Lennar must provide free of charge in “cold-shell” condition meaning the IAM will be responsible for funding all tenant improvements. The location and size of the Candlestick IAM will be finalized in the sub-phase approval for the Candlestick Retail Center. The Candlestick IAM will be built in conjunction with the Candlestick Retail Center, which is anticipated to open in Fall 2018.

#### 4) Cultural/Historic Recognition Program (“CHRP”)

##### *Program Description:*

The Phase 1 CHRP program’s vision was to integrate cultural features throughout the Shipyard and to provide opportunities for local artist to participate in the creation of public art. CHRP elements include the installation of 500 square feet of tiles designed by youth participants a San Francisco Bayview Opera House program and the creation of a walkway with a timeline of events. No funding obligation was included with the CHRP program requirement. Instead, Lennar is required to engage and maintain a fundraising consultant to pursue government, foundation and private funding to support the CHRP implementation.

Additional public art will be funded from the Phase 2 art fee requirement in the Hunters Point Shipyard Redevelopment Plan. In accordance with that requirement, 0.5% of the hard cost of initial construction (excluding costs of infrastructure and tenant improvements) of any new office building in excess of 25,000 square feet constructed within the Project Area is to be used for the installation and maintenance of works of arts in the public realm within the Project Area.

##### *Status Update for Phase 1:*

In 2009, the SFRA initiated the “Shipyard Public Art” project by investing nearly \$1.5 million of federal grant funds in the commissioning of public art pieces for the Hilltop portion of Parcel A. Nine public art pieces are in the process of being installed and the project should be completed by fall of 2015. (See Attachment 4: Shipyard Public Art overview)

As part of the creation of the Hilltop parks and open space, the required 500 square feet of youth tiles will be installed by Lennar. Further, a segment of the walkway/timeline will also be located in the Hilltop parks, with the remainder being located in Phase 2.

From March 2005 thorough December 2006, Lennar contracted with LSM Legacies to conduct planning and fundraising services in furtherance of CHRP. Additional information from Lennar regarding the CHRP fundraising consultant will be forthcoming.

##### *Status Update for Phase 2:*

No public art fee has been collected to-date, because no new office buildings in excess of 25,000 square feet have been constructed within the Project Area.

#### 5) Business Incubator Space Program (“BISP”)

##### *Program Description:*

The BIPS’ goal is to facilitate the growth and development of a variety of businesses at the Shipyard. In furtherance of this vision, Lennar agreed to provide, at cost, a business incubator space within Phase 1 retail space and participate in the selection of a BISP facilitator who will develop and manage the business incubator program.

##### *Status Update:*

To date, no retail space has been developed as part of Phase 1. Lennar will fulfill its obligation under the BISP as soon as a proposal for Phase 1 retail spaces will be brought forward.

#### 6) Home Buyers' Assistance Program

##### *Program Description:*

The Phase 1 CBA requires Lennar to develop a program to provide assistance to qualified Shipyard home buyers of affordable as well as market rate homes, including:

- a) Down Payment Assistance
- b) First Time Buyer Financing Programs, and
- c) Homeownership Counseling Services.

##### *Status Update for Phase 1:*

Since the beginning of Phase 1, Lennar has organized 59 First time homebuyer workshops with a total of nearly 1200 attendees.

In 2014 and 2015 Lennar has hosted quarterly workshops in accordance with the Home Buyer's Assistance Program. The workshops provided an overview of the limited equity program and first time home buyer opportunities at the Shipyard. 112 participants attended the 4 workshops that took place in 2014 and 45 participants attended the first 2 workshops in 2015.

#### 7) Job Training and Employee Assistance Program ("JTP")

##### *Program Description:*

Lennar is obligated to create a JTP by:

- a) Working with existing community based job training and assistance programs with a successful track record of identifying job training needs for the Shipyard;
- b) Designing the JTP to specifically address training and employment needs at the Shipyard;
- c) Including in the JTP the creation of after school, summer school and vacation employment via internships or partnering with local summer jobs programs.

In furtherance of the JTP, Lennar agreed to fund community based organizations that provide suitable services. Lennar's annual funding obligation is \$225,000, starting with Parcel A close of escrow and until the Phase 1 infrastructure is substantially complete, which is estimated to occur in 2017.

##### *Status Update for Phase 1:*

The total funding obligation under the JTP for the 11 years from 2004 – 2014 is \$2,475,000. To date Lennar has provided a total of \$1,722,339 to over a dozen community based organization. **Additional information from Lennar regarding the status of this program will be forthcoming.**

#### 8) Local Community Priority Leasing Program

##### *Program Description:*

As part of Section 10 of the Phase 1 CBA, Lennar agreed to encourage local businesses to lease available retail spaces within the Phase 1 Project Area by actively notifying local businesses of upcoming leasing opportunities, and working with local partners like the Bayview Business Resource Center and the Bayview Merchant Association to outreach to local businesses.

##### *Status Update for Phase 1:*

To date no retail spaces has been developed in Phase 1.



9) Small Business Assistance Program (“SBAP”)

*Program Description:*

As part of Section 11 of the Phase 1 CBA, Lennar is required to identify opportunities to assist small businesses in the BVHP area with obtaining contracts, for and participating in, other business opportunities at the Shipyard. In furtherance of this requirement, Lennar is required to create and update no less than bi-annually a directory of local small businesses. Additionally, Lennar must require its contractors and consultants to use their best efforts to purchase no less than 20% of the dollar value of all their Shipyard Project-related purchases from BVHP area small businesses and required them to provide monthly progress reports on dollars they spend with BVHP area small businesses. Additionally, in order to facilitate networking opportunities for BVHP Area Small Businesses, Lennar’s Community Benefits Manager shall assign a member of its project team to be responsible for operating the SBAP and ensuring that all of the components of the program are implemented as described.

*Status Update for Phase 1:* Additional information from Lennar regarding the status of this program will be forthcoming.

10) Outreach Program

Exhibit L of the Phase 1 CBA outlines certain tools and activities that Lennar is required to carry out in order to facilitate the dissemination of important information, deadlines, and updates pertaining to opportunities resulting from the redevelopment of the Shipyard. These tools include a website, a quarterly newsletter, special mailings, contractor fairs and similar outreach activities.

*Status Update for Phase 1:* Additional information from Lennar regarding the status of this program will be forthcoming.

11) Community Real Estate Broker Program (“CREBP”)

The Phase 2 CREBP provides licensed real estate brokers and salespersons with offices in BVHP (“Community Brokers”) with the opportunity to preview and show units in Phase 2 residential projects ahead of other brokers. Additionally, Lennar will host specific marketing events for Community Brokers and provide Community Brokers with marketing materials to assist them with marketing units to their clients.

*Status Update:*

Lennar will provide CRECP services and assistance to Community Brokers as soon as Phase 2 units become available. Additionally, Lennar is voluntarily expanding the CRECP to Phase 1 and is provided CRECP to local real estate brokers who are interested in working with prospective Phase residents

12) Community Facilities Lots

Community Facilities Lots are developable pads, lots that are served by new, permanent infrastructure and graded. These lots may be used for a range of civic or community needs including facilities for school, police and fire. While the prepared land is provided for free, Lennar is not responsible for funding the vertical construction. Community Facilities Lots are required in Attachment 23 of the Phase 1 DDA and Section 3 of the Phase 2 CBA. Phase 1

originally required 6 acres of land within Parcel A and Parcel B to be designated as Community Lots within Phase 1 (Parcel B was originally part of Shipyard Phase 1). However, with the exclusion of Parcel B from the Phase 1 development only 1.2 acres remained in Phase 1 and the remaining 6.8 acres were distributed throughout Candlestick and Phase 2. (See Attachment 4: Community Facilities Map)

*Status Update:*

The locations of Community Facilities Lots have been finalized and a planning process to determine use of Community Facilities Lots is underway. OCII is facilitating discussions with San Francisco Unified School District, San Francisco Police Department, San Francisco Fire Department, and the San Francisco Public Library, to determine future service needs to Hunters Point Shipyard Phases 1 and 2 and Candlestick.

13) Additional Community Facilities

The Phase 2 CBA provides for additional Community Facilities which include:

- a) Arts and Cultural Facilities (New Shipyard Artist Studios, Infrastructure for Building 101 and land for a future Arts Center);
- b) Parks and Open Space Facilities in accordance with the Parks and Open Space Plan and the applicable Major Phase and Sub-Phase Approvals;
- c) Reasonable collaboration with OCII to facilitate the rehabilitation of Building 813 for use as an innovation center; and
- d) Completion of Infrastructure for a Fire Station Lot in accordance with the Infrastructure Plan.

*Status Update:*

Lennar is in the process of constructing replacement facilities for the existing Shipyard artist (New Shipyard Artist Studios and a replacement building for a commercial kitchen). Lennar is also about to commence infrastructure work for Building 101. All other Additional Community Facilities are currently in the planning stage.

14) Scholarship Program

In accordance with Phase 2 CBA Section 1.1 Lennar must contribute \$3.5 million to the “Lennar Bayview Scholarship Fund” to be used to assist youth and adults up to age 30 with cost of tuition and/or educational material in pursuit of an higher educational program that grants a diploma, degree or certificate of completion. \$5,000 of the Lennar Bayview Scholarship Fund are to be set aside annually for the “Will Bass Memorial Educational Travel Scholarship” which will be awarded to an African American student (18 to 25 years old) from BVHP for education travel to Africa or Asia.

*Status Update:*

In accordance with the established payment schedule the first payment of \$500,000 was made by Lennar 90 days after the first Major Phase was approved by the OCII Commission in January 2014. As stipulated in Section 1.1 these funds must be held by the Community Benefits Fund, which is administered by the Legacy Foundation. The Legacy Foundation is undertaking a strategic planning process to make disbursement recommendations to the OCII Commission for these initial funds. .

15) Education Improvement Fund

In accordance with Phase 2 CBA Section 1.2, Lennar is required to contribute \$10 million to the “Lennar Bayview Education Improvement Fund” to be used to support education enhancements within BVHP, which may include new facilities or upgrades to existing education resources and health and wellness education in schools.

*Status Update:*

In accordance with the established payment schedule, the first payment of \$500,000 was made by Lennar 90 days after the first Major Phase was approved by the OCII Commission in January 2014. Future accruals are tied to the Phase 2 development progress, with an option to accelerate availability of funds for the construction of new educational facilities in BVHP. Use of funds will be determined through a community-based process that includes representatives of the San Francisco Unified School District, BVHP, the Office of Economic and Workforce Development, OCII and Lennar. OCII has initiated a dialogue with the San Francisco Unified School District about the opportunity to construction a new educational facility at the Shipyard.

16) Community Health and Wellness Contributions

In accordance with Phase 2 CBA Section 2 Lennar shall contribute \$2.25 million for the expansion of the South East Health Center or, in the event that funds are not needed for the South East Health Center, for the creation or expansion of the Center for Youth Wellness.

*Status Update:*

In accordance with the established payment schedule, payments totaling \$350,000 were made by Lennar 90 days after the first Major Phase was approved by the OCII Commission in January 2014. OCII has transferred those funds to the Department of Public Health to be used to cover predevelopment expenses for the South East Health Center expansion.

17) Community Benefits Fund

In accordance with Phase 1 Attachment 23 and Phase 2 CBA Section 6, Lennar is required to make contributions to a fund (“Community Benefits Fund”) that shall be used to benefit BVHP by:

- a) Benefiting low- and moderate income families;
- b) Eliminate blight; and /or
- c) Meet other community development needs of BVHP as determined by the Legacy Foundation.

[How is fund managed?] [Distinguish this fund from the Core Community Benefits Agreement]

*Status Update:*

To date, Lennar has contributed \$1 million in accordance with the Fifth Amendment of the Phase 1 DDA. Additionally, 0.5% of the sales price of each Phase 2 market rate unit will become due to the Community Benefits Fund at the close of escrow of the initial sale of each Phase 2 market rate unit. OCII has requested an updated estimated of future Community Benefits Fund contributions. Additional information from Lennar regarding an estimated schedule of incoming Community Benefits Fund payments will be forthcoming.

18) Core Community Benefits Agreement

The Phase 2 CBA also references the Core Community Benefits Agreement which is a separate agreement between Lennar and AD10. AD10 representatives include the Alliance of Californians for Community Empowerment, the San Francisco Organizing Project and the San Francisco Labor Council. OCII is not party to this agreement and does not monitor its implementation.

**Future Updates**

Per the Phase 1 CBA, Lennar is required to provide quarterly written status reports on all Community Benefits Programs and make presentations to the CAC. At the Commission's request, OCII staff and Lennar will provide future summary Community Benefit status updates, which will continue to illustrate the cumulative impact of the Phase 1 and Phase 1 CBAs from inception to date.

*(Originated by Amabel Akwa-Asare, Assistant Project Manager)*

Tiffany Bohee  
Executive Director

Attachment 1:	Phase 1 Community Benefits Agreement
Attachment 2:	Phase 2 Community Benefits Plan
Attachment 3:	Community Builder Lots
Attachment 4:	Shipyard Public Art overview